

INSTRUCTIONS

Alaska Application to Purchase Cigarette Tax Stamps On a Deferred Payment Basis

General Instructions

Effective January 1, 2004, the cigarette excise tax authorized by AS 43.50 must be paid through the use of cigarette tax stamps. Cigarette tax stamps are required to be affixed to packages of cigarettes before sale or distribution in the state. Cigarette licensees must pay for cigarette tax stamps at the time they are ordered unless they have prior written approval from the Department to purchase cigarette tax stamps on a deferred payment basis. Form 04-623 is used to request approval to purchase cigarette tax stamps on a deferred payment basis.

Specific Instructions

Determine the maximum dollar amount of cigarette tax stamps you will want to purchase on a deferred payment basis each month. A surety bond in the amount of 200 percent of the maximum dollar amount requested must be obtained before the Department will review your request.

Beginning January 1, 2005, a licensee that holds a license issued under AS 43.50.010 for a physical location in Alaska and has been in full compliance with the provisions of AS 43.50 during the preceding 60 months, may reduce the surety bond requirement to 100 percent of the maximum dollar amount of cigarette tax stamps purchased on a deferred payment basis each month.

Complete Form 04-041D (Rev 10/03) and attach it to this request. Earlier versions of Form 04-041D will not be accepted. The surety bond executed between you and the surety company on a form or in a format different from Form 04-041D may be accepted provided that all information required on Form 04-041D is provided.

Signatures

Form 04-623 must be signed and dated by the licensee and an authorized representative of the surety company. Unsigned forms will not be accepted.

Where to Send Form 04-623

Form 04-623 must be mailed or delivered to the Department of Revenue, Tax Division, 550 W. 7th Avenue, Suite 500, Anchorage, AK 99501 or faxed to 907.269.6644. After the application has been approved or denied, a copy will be returned to you. You may begin to make purchases of cigarette tax stamps on a deferred payment basis only after the form is approved. Generally, the approval will expire at the same time as the surety bond. You may also fax the form to 907.269.6644, however final approval will not be given until the original signed surety bond is received by the Department.

Payment Due Date

If you are approved to purchase cigarette tax stamps on a deferred payment basis, payment is due by the end of the month following the month in which you purchased the tax stamps. You should remit payment with your monthly tax return, Form 04-522. If you fail to make payment at the time due, we will assess all penalties and interest and immediately suspend your privilege to purchase cigarette tax stamps on a deferred-payment basis.

Suspension of Deferred-Payment Basis Privilege

The Department may suspend, without prior notice, your privilege to purchase stamps on a deferred-payment basis or reduce the monthly dollar amount of purchases made on a deferred-payment basis for the following reasons:

1. You fail to pay for stamps when payment is due.
2. Your bond is cancelled or becomes void, impaired, or unenforceable.
3. The department determines that the collection of an amount unpaid or due is jeopardized.
4. You violate a state statute or regulation related to the collection of taxes under this chapter.

Questions

If you have questions about this form, please contact the Tax Division at 907.269.6620.